

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/23/09

STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
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JUNE 30, 2009

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STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

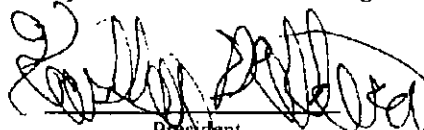
Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, LA 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397


AFFIDAVIT

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Personally came and appeared before the undersigned authority, Karlton Methvin, President of the Natchitoches Levee and Drainage District, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of Natchitoches Levee and Drainage District at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

  
\_\_\_\_\_  
President

Sworn to and subscribed before me, this 24<sup>th</sup> day of August, 2009.

  
\_\_\_\_\_  
NOTARY PUBLIC  
E. Merlin Sguyter, ID# 033769

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# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2188 - 133 EAST FIFTH STREET  
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA  
1925-1999

FRANK S. HINES, CPA  
LEWIS C. HINES, CPA  
E. MERLIN SQUYRES, CPA  
JAY H. SHEFFIELD, CPA

JAMES S. SHEFFIELD, CPA

Telephone (318) 352-6458  
FAX (318) 352-0404  
office@hjhcpa.biz

Board of Commissioners  
Natchitoches Levee and Drainage District  
Natchitoches, Louisiana

We have audited the accompanying basic financial statements of the Natchitoches Levee and Drainage District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Natchitoches Levee and Drainage District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Levee and Drainage District as of June 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 24, 2009, on our consideration of the Natchitoches Levee and Drainage District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 25, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Natchitoches Levee and Drainage District's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended June 30, 2008, which is included for comparative purposes was taken from the review financial report for that year in which we were not aware of any material modifications dated August 19, 2008, on the basic financial statements of the Natchitoches Levee and Drainage District.

***Hines, Jackson & Hines***

Natchitoches, Louisiana  
August 24, 2009

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-MEMBERS-

American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009

The Management's Discussion and Analysis of the Natchitoches Levee and Drainage District's financial performance presents a narrative overview and analysis of Natchitoches Levee and Drainage District's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Natchitoches Levee and Drainage District's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

- 1) The Natchitoches Levee and Drainage District had cash and investments of \$940,483 at June 30, 2009 which represents an increase of \$69,063 from prior year end.
- 2) The Natchitoches Levee and Drainage District had accounts receivable of \$1,126 at June 30, 2009 which represents a decrease of \$8,991 from prior year end.
- 3) The Natchitoches Levee and Drainage District had accounts payable and accruals of \$9,502 at June 30, 2009 which represents a decrease of \$4,410 from prior year end.
- 4) The Natchitoches Levee and Drainage District had other post employment benefits of \$53,819 at June 30, 2009 which represents an increase of \$53,819 from prior year end.
- 5) The Natchitoches Levee and Drainage District had total revenues of \$527,973 for the year ended June 30, 2009 which represents an increase of \$948 from prior year.
- 6) The Natchitoches Levee and Drainage District had property taxes of \$468,244 for the year ended June 30, 2009 which represents an increase of \$15,850 from prior year.
- 7) The Natchitoches Levee and Drainage District had interest income of \$16,144 for the year ended June 30, 2009 which represents a decrease of \$17,214 from prior year.
- 8) The Natchitoches Levee and Drainage District had personal services expenses of \$288,048 for the year ended June 30, 2009 which represents an increase of \$93,486 from prior year.
- 9) The Natchitoches Levee and Drainage District had operating services expenses of \$130,231 for the year ended June 30, 2009 which represents a decrease of \$17,780 from prior year.
- 10) The Natchitoches Levee and Drainage District had capital asset purchases of \$2,605 for the year ended June 30, 2009 which represents a decrease of \$10,558 from prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Natchitoches Levee and Drainage District as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2009

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Basic Financial Statements**

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Natchitoches Levee and Drainage District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2009

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 941,674	\$ 881,602
Capital assets, net	<u>116,698</u>	<u>143,781</u>
<b>Total Assets</b>	<b><u>\$ 1,058,372</u></b>	<b><u>\$ 1,025,383</u></b>
 Other liabilities	 \$ 9,502	 \$ 13,912
Compensated absences payable	15,127	12,786
Other post employment benefits payable	53,819	0
Capital lease obligations	<u>0</u>	<u>30,979</u>
<b>Total Liabilities</b>	<b><u>78,448</u></b>	<b><u>57,677</u></b>
 Net assets		
Investment in capital assets, net of related debt	116,698	112,802
Unrestricted	<u>863,226</u>	<u>854,904</u>
<b>Total Net Assets</b>	<b><u>979,924</u></b>	<b><u>967,706</u></b>
 <b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,058,372</u></b>	<b><u>\$ 1,025,383</u></b>

Net assets of the Natchitoches Levee and Drainage District's increased by \$12,218 or 1.26% from the previous fiscal year. The increase is the result of operating and nonoperating revenues exceeding expenses during the fiscal year ended 2009 (See table below).

Statement of Activities  
For the Year Ended

	<u>2009</u>	<u>2008</u>
General government		
Expenses	\$ (515,755)	\$ (445,223)
Program revenues		
Operating grants and contributions	<u>0</u>	<u>0</u>
<b>Subtotal</b>	<b>(515,755)</b>	<b>(445,223)</b>
 General revenues	 <u>527,973</u>	 <u>527,025</u>
 <b>Change in net assets</b>	<b><u>\$ 12,218</u></b>	<b><u>\$ 81,802</u></b>

The Natchitoches Levee and Drainage District's total revenues increased by \$948 or 0.18% from the previous year. The total cost of all programs and services increased by \$70,532 or 15.84% from the previous year.





STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2009

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$15,827 less than budgeted amounts due to interest income being less than expected.

Actual expenditures were \$80,309 less than budgeted amounts due to capital outlay being less than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Natchitoches Levee and Drainage District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Ad valorem taxes
- 2) Interest income
- 3) Projects under consideration
- 4) Intergovernmental revenues (state and local grants)

The Natchitoches Levee and Drainage District does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE NATCHITOCHES LEVEE AND DRAINAGE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Natchitoches Levee and Drainage District's finances and to show the Natchitoches Levee and Drainage District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Karlton Methvin, President, Post Office Box 1036, Natchitoches, Louisiana 71458.

## EXHIBIT A

STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 61,272	\$ 46,232
Investments	879,211	825,188
Accounts receivable	<u>1,126</u>	<u>10,117</u>
Total Current Assets	941,609	881,537
Noncurrent Assets		
Capital assets, net	116,698	143,781
Utility deposits	<u>65</u>	<u>65</u>
Total Assets	<u>\$ 1,058,372</u>	<u>\$ 1,025,383</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Current portion of capital lease obligations	\$ 0	\$ 30,979
Accounts payable and accruals	<u>9,502</u>	<u>13,912</u>
Total Current Liabilities	9,502	44,891
Noncurrent Liabilities		
Compensated absences payable	15,127	12,786
Other post employment benefits payable	53,819	0
Capital lease obligations, net of current portion	<u>0</u>	<u>0</u>
Total Liabilities	78,448	57,677
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	116,698	112,802
Unrestricted	<u>863,226</u>	<u>854,904</u>
Total Net Assets	<u>979,924</u>	<u>967,706</u>
Total Liabilities and Net Assets	<u>\$ 1,058,372</u>	<u>\$ 1,025,383</u>

The accompanying notes are an integral part of this statement.

**EXHIBIT B**

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	2009			2008	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
General Government					
Personal services	\$ 288,048	\$ 0	\$ 0	\$ 0	\$ (194,562)
Travel	8,217	0	0	0	(6,598)
Operating services	130,231	0	0	0	(148,011)
Supplies	27,648	0	0	0	(33,489)
Professional services	32,500	0	0	0	(32,278)
Interest expense	623	0	0	0	(2,169)
Depreciation	28,488	0	0	0	(28,116)
Total General Government	<u>\$ 515,755</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(445,223)</u>
General Revenues:					
Taxes					452,394
State revenue sharing					41,110
Interest income					33,358
Miscellaneous					163
Total General Revenues					<u>527,025</u>
Change in Net Assets					12,218
Net Assets, Beginning of year					<u>967,706</u>
Net Assets, End of year					<u>\$ 979,924</u>
					<u>\$ 967,706</u>

EXHIBIT C

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 61,272	\$ 46,232
Investments	879,211	825,188
Accounts receivable	1,126	10,117
Utility Deposits	<u>65</u>	<u>65</u>
Total Assets	<u>\$ 941,674</u>	<u>\$ 881,602</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accruals	\$ 9,502	\$ 13,912
Total Liabilities	<u>9,502</u>	<u>13,912</u>
 <b>FUND BALANCES</b>		
Unreserved	<u>932,172</u>	<u>867,690</u>
Total Fund Balances	<u>932,172</u>	<u>867,690</u>
Total Liabilities and Fund Balances	<u>\$ 941,674</u>	<u>\$ 881,602</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009

Total Fund Balances for Governmental Funds (Exhibit C) \$ 932,172

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Buildings and building improvements, net of \$6,145		
in accumulated depreciation	\$ 6,145	
Automobiles and equipment, net of \$353,578		
in accumulated depreciation	\$ 110,553	
Total Capital Assets		116,698

Long-term liabilities, including compensated absences and other post employment benefits payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.	(68,946)
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Total Net Assets of Governmental Activities (Exhibit A) \$ 979,924

EXHIBIT E

STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
REVENUES		
Taxes	\$ 468,244	\$ 452,394
State revenue sharing	37,421	41,110
Interest income	16,144	33,358
Miscellaneous	<u>7,364</u>	<u>163</u>
Total Revenues	529,173	527,025
EXPENDITURES		
General government		
Personal services	231,888	199,113
Travel	8,217	6,598
Operating services	130,231	148,011
Supplies	27,648	33,489
Professional services	32,500	32,278
Capital outlay	<u>2,605</u>	<u>13,163</u>
Total Expenditures	<u>433,089</u>	<u>432,652</u>
Excess/(Deficiency) Of Revenues Over Expenditures	96,084	94,373
Other Financing Sources/(Uses)		
Capital lease payments	<u>(31,602)</u>	<u>(37,348)</u>
Total Other Financing Sources/(Uses)	<u>(31,602)</u>	<u>(37,348)</u>
Net Change in Fund Balance	64,482	57,025
Fund Balance, Beginning of year	<u>867,690</u>	<u>810,665</u>
Fund Balance, End of year	<u>\$ 932,172</u>	<u>\$ 867,690</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 64,482

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$28,488) exceeds capital outlays (\$2,605) in the current period. (25,883)

Some expense reported in the statement of activities, such as compensated absences and other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (56,160)

In the statement of activities, only the gain on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the portion of the assets sold that have not been depreciated. (1,200)

Governmental funds report principal repayments as expenditures. However, these amounts are not included in the statement of activities but reduces the liability in the statement of net assets. Those expenditures consist of:

Capital lease obligations	\$ 30,979	
		<u>30,979</u>

Change in Net Assets of Governmental Activities (Exhibit B)	\$ 12,218	
		<u>12,218</u>

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

The Natchitoches Levee and Drainage District was created by the Louisiana State Legislature under the provisions of the Louisiana Revised Statute 38:291(H). The Levee District includes most of Natchitoches Parish. The Levee District primarily provides flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the Levee District in accordance with the provisions of Louisiana statute. The nine members of the Board of Commissioners which governs the District are appointed by the governor of the State of Louisiana.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.            Basis of Accounting**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Natchitoches Levee and Drainage District present information only as to the transactions of the programs of the Natchitoches Levee and Drainage District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Natchitoches Levee and Drainage District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration-Office of Statewide Reporting and Accounting Policy as Follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B.            Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.



STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B.        Budgetary Accounting (Continued)**

State appropriations made for the operations of the various programs of the Natchitoches Levee and Drainage District are annual lapsing appropriations.

1.        The budgetary process is an annual appropriation valid for one year.
2.        The agency is prohibited by statute from over expending the categories established in the budget.
3.        Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4.        The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

Original Approved Budget	\$            0
Amendments	<u>          0</u>
Final Approved Budget	<u><u>\$            0</u></u>

**C.        Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the District defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**D.        Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**E.        Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2009, \$0 were considered to be uncollectible.

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.            Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the District are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**G.            Compensated Absences**

District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes.

**H.            Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2            DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A.            Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Natchitoches Levee and Drainage District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2009 were secured as follows:

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 2      DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)**

**A.      Deposits with Financial Institutions (Continued)**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 61,272	\$ 878,511	\$ 939,783
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 73,357</u>	<u>\$ 878,511</u>	<u>\$ 951,868</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Capital One, NA	\$ 100,000
First Business Bank	92,420
Peoples State Bank	73,357
Sovereign Bank	247,750
State Bank of Long Island	247,750
Susquehanna Bank	190,591
Total	<u>\$ 951,868</u>

**B.      Investments**

The Natchitoches Levee and Drainage District maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the District may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Natchitoches Levee and Drainage District as of June 30, 2009 are summarized below by the category of risk.

Category 1	Insured or registered in the entity's name, or security held by the entity or its agent in the entity's name.
Category 2	Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.
Category 3	Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Type of Investments	Amount Reported in Risk Category 3, If Any		Total Reported Amount - All Categories (Including Category 3)	Total Fair Value - All Categories (Including Category 3)
	Held By Counterparty	Held By Counterparty's Trust Dept. Or Agent Not In Entity's Name		
Valley Farmers Preferred Stock	\$ 0	\$ 0	\$ 700	\$ 700
Total	\$ 0	\$ 0	\$ 700	\$ 700

**NOTE 3 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2009:

<u>Class of Receivable</u>	
Interest	\$ 1,070
Other	56
Total	<u>\$ 1,126</u>

**NOTE 4 CAPITAL ASSETS**

A summary of the Natchitoches Levee and Drainage District's capital assets at June 30, 2009 follows:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
<b>Capital Assets, not being depreciated</b>				
Land	\$ 1,200	\$ 0	\$ (1,200)	\$ 0
Total Capital Assets, not being depreciated	1,200	0	(1,200)	0
<b>Capital Assets, being depreciated</b>				
Buildings and building improvements	12,290	0	0	12,290
Less accumulated depreciation	(4,916)	(1,229)	0	(6,145)
Total Buildings and building improvements	7,374	(1,229)	0	6,145
Automobiles and equipment	461,526	2,605	0	464,131
Less accumulated depreciation:	(326,319)	(27,259)	0	(353,578)
Total Automobiles and equipment	135,207	(24,654)	0	110,553
Total Capital Assets, being depreciated	142,581	(25,883)	0	116,698
Total Capital Assets, net	<u>\$ 143,781</u>	<u>\$ (25,883)</u>	<u>\$ (1,200)</u>	<u>\$ 116,698</u>

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 5            ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2009:

<u>Class of Payable</u>	
Vendor	\$            3,289
Salaries and benefits	<u>6,213</u>
Total	<u>\$            9,502</u>

**NOTE 6            COMPENSATED ABSENCES**

At June 30, 2009, employees of the Natchitoches Levee and Drainage District had accumulated \$15,127 in annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2009.

Compensated absences payable, beginning of year	\$            12,786
Additions	7,101
Deletions	<u>(4,760)</u>
Compensated absences payable, end of year	<u>\$            15,127</u>

**NOTE 7            RETIREMENT SYSTEM**

Substantially all employees of the Natchitoches Levee and Drainage District are members of the Louisiana State Employees' Retirement System (System), a cost-sharing, multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefits of state employees, which is administered and controlled by a separate board of trustees. All full time employees of the District are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at a) any age with 30 years of service, b) age 55 with 25 years of service, or c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608.

Members hired before July 1, 2006 and after July 1, 2006 are required by state statute to contribute 7.5% and 8.0%, respectively, of their annual covered salary and the Natchitoches Levee and Drainage District is required to contribute at an actuarially determined rate. The current employer rate is 18.5% of annual covered payroll. The contribution requirements of plan members and the office are established and may be amended by state statute. As provided by state statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contribution to the System for the year ending June 30, 2009, 2008 and 2007 were \$24,273, \$17,137 and \$15,667, respectively, equal to the required contribution for each year.

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 8 POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

All employees of the Natchitoches Levee and Drainage District may participate in the State's Other Post Employment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 provides the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

The contribution requirements of plan members and the Levee District are established and may be amended by LRS 42:801-883. Employees do not contribute to their Post Employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employee: the Preferred Provider Organization (PPO) plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B and one private fee-for-service (FFS) plan. Administrative costs of the plans are financed through the premiums collected for all classes of active and retired plan members. Contribution amounts vary depending on which healthcare provider is selected from the plan, years of participation, and if the member has Medicare coverage. Following is a summary of plan provisions.

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee costs). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total monthly per capita premium equivalent rates for 2008-2009 are shown in the table below.

<u>Active</u>	<u>PPO</u>	<u>EPO</u>	<u>HMO</u>
Single	542.36	564.12	520.72
With Spouse	1,152.00	1,198.08	1,105.92
With Children	661.48	687.96	635.04
Family	1,214.92	1,263.52	1,166.36
<u>Retired No Medicare &amp; Re-employed Retirees</u>			
Single	1,009.00	1,049.32	968.64
With Spouse	1,781.72	1,852.96	1,710.4
With Children	1,123.92	1,168.84	1,079.00
Family	1,773.12	1,844.04	1,702.20

STATE OF LOUISIANA  
NATCHITOCHE'S LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 8 POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

<u>Retired With 1 Medicare</u>	<u>PPO</u>	<u>EPO</u>	<u>HMO</u>
Single	328.12	341.24	314.96
With Spouse	1,212.32	1,260.8	1,163.76
With Children	567.92	590.64	545.24
Family	1,615.32	1,679.92	1,550.68
<u>Retired With 2 Medicare</u>			
With Spouse	589.76	613.32	566.16
Family	730.24	759.44	701.04

All members who retire on or after July 1, 1997 must have Medicare Parts A and B in order to qualify for the reduced premium rate.

<u>Medicare Supplement Rates</u>	<u>Retired With</u>	
	<u>1 Medicare</u>	<u>2 Medicare</u>
Humana HMO	137.00	274.00
Peoples Health	142.00	284.00
Vantage	140.00	280.00
Humana FFS	174.00	348.00
Universal American	133.60	267.20
United Healthcare	254.38	508.76

**Life Insurance Premiums:**

- 1) Retiree pays 50 cents for each \$1,000 of life insurance.
- 2) Retiree pays 88 cents for each \$1,000 of spouse life insurance.

The Levee District's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2008 is \$64,600 as set forth below.

Normal cost	\$ 22,200
30-year UAL amortization amount	42,400
Interest on the above	0
Annual required contribution (ARC)	<u>\$ 64,600</u>

The following table presents the Levee District's OPEB Obligation for the fiscal year 2008:

Beginning net OPEB obligation, July 1, 2008	\$ 0
Annual required contribution	64,600
Interest on net OPEB obligation	0
OPEB cost	64,600
Contributions made (retiree cost)	(10,781)
Change in net OPEB obligation	<u>53,819</u>
Ending net OPEB obligation, June 30, 2009	<u>\$ 53,819</u>

STATE OF LOUISIANA  
NATCHITOCHEES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 8 POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

The following table reflects the LA OPEB's Fund annual post employment benefits cost, percentage of that cost contributed, and the net unfunded post employment obligation at the end of year. Since this fiscal year is the first fiscal year for which GASB 45 is applicable for the Levee District, no information for prior years is presented.

Utilizing the pay-as-you-go method, the Levee District contributed 16.69% of the annual post employment benefits costs during 2009.

As of June 30, 2008, the State did not have an OPEB trust. A trust was established with an effective date of July 1, 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial accrued liability of \$1,044,100 was unfunded.

The funded status of the plan as of July 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 1,044,100
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,044,100</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (annual payroll of active employee covered by the plan)	134,625
UAAL as a percentage of covered payroll	776%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events for into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility is actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0% and 10.1% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The actuarial assumptions also include a payroll growth of 3.0% per annum. The Levee District's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2008, was 30 years.



STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009

**NOTE 9            LEASE OBLIGATIONS**

The Natchitoches Levee and Drainage District was not obligated under any capital or operating lease commitments at June 30, 2009.

**NOTE 10          RISK MANAGEMENT**

The Natchitoches Levee and Drainage District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**NOTE 11          LITIGATION**

There was no outstanding litigation against the Natchitoches Levee and Drainage District at June 30, 2009.

## **REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE 1

STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.)</u>
<b>REVENUES</b>			
Taxes	\$ 462,000	\$ 468,244	\$ 6,244
State revenue sharing	40,000	37,421	(2,579)
Interest income	43,000	16,144	(26,856)
Miscellaneous	<u>0</u>	<u>7,364</u>	<u>7,364</u>
Total Revenues	545,000	529,173	(15,827)
<b>EXPENDITURES</b>			
General government			
Personal services	210,000	231,888	(21,888)
Travel	14,000	8,217	5,783
Operating services	165,000	130,231	34,769
Supplies	30,000	27,648	2,352
Professional services	31,000	32,500	(1,500)
Capital outlay	<u>63,398</u>	<u>2,605</u>	<u>60,793</u>
Total Expenditures	<u>513,398</u>	<u>433,089</u>	<u>80,309</u>
Excess/(Deficiency) Of Revenues Over Expenditures	31,602	96,084	64,482
Other Financing Sources/(Uses)			
Capital lease payments	<u>(31,602)</u>	<u>(31,602)</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>(31,602)</u>	<u>(31,602)</u>	<u>0</u>
Net Change in Fund Balance	0	64,482	64,482
Fund Balance, Beginning of year	<u>867,690</u>	<u>867,690</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 867,690</u>	<u>\$ 932,172</u>	<u>\$ 64,482</u>

## **OTHER SUPPLEMENTARY INFORMATION**

SCHEDULE 2

STATE OF LOUISIANA  
NATCHITOCHEES LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Commissioners</u>	
Adolph Sklar, Jr.	\$ 900
Alfred Bruning	900
Billy Giddens	675
Doris Roge	900
Gary Anderson	825
Janet Jones	750
Karlton Methvin	11,075
Rayburn Smith	675
Ronald Corkern	<u>900</u>
Total	<u>\$ 17,600</u>

The schedule of compensation paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal services expenses. Board members are paid \$75 per day to a maximum of 36 days per year for board meetings and/or official business. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem.

STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

- |    |                                                                                                                                                                                       |                         |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 1. | Type of auditors' report issued.                                                                                                                                                      | Unqualified             |
| 2. | Internal control over financial reporting:<br>a) Material weakness(es) identified?<br>b) Significant deficiency(ies) identified that are not considered to<br>be material weaknesses? | No<br><br>None reported |
| 3. | Noncompliance material to financial statements noted?                                                                                                                                 | No                      |

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

None reported.

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF STATE FUNDING  
JUNE 30, 2009

SCHEDULE 4

DESCRIPTION OF FUNDING

State Revenue Sharing

\$ 37,421

# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2188 - 133 EAST FIFTH STREET  
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA  
1926-1999

FRANK S. HINES, CPA  
LEWIS C. HINES, CPA  
E. MERLIN SQUYRES, CPA  
JAY H. SHEFFIELD, CPA

JAMES S. SHEFFIELD, CPA

Telephone (318) 352-6458  
FAX (318) 352-0404  
office@hjhcpa.biz

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Natchitoches Levee and Drainage District  
Natchitoches, Louisiana

We have audited the basic financial statements of the Natchitoches Levee and Drainage District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, and have issued our report dated August 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Levee and Drainage District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Levee and Drainage District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Levee and Drainage District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.



Page #2

This report is intended solely for the information and use of the Natchitoches Levee and Drainage District, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Hines, Jackson & Hines***

Natchitoches, Louisiana

August 24, 2009

SCHEDULE 5

STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
-----------------	-----------------------------------------------------------	-------------------------------	-----------------------------------------------------------------	------------------------------------------------------------------------------

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 6

STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
-----------------	-------------------------------	----------------------------------	-----------------------------------------	--------------------------------------------

Nothing came to our attention that would require disclosure under Government Auditing Standards.

**DIVISION OF ADMINISTRATION  
REPORTING PACKAGE**

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
BALANCE SHEET  
AS OF JUNE, 2009**

**Exhibit G**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 61,272
Investments	879,211
Receivables (net of allowance for doubtful accounts)(Note U)	1,126
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	941,609

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	6,145
Machinery and equipment	110,553
Infrastructure	
Construction-in-progress	
Other noncurrent assets	65
Total noncurrent assets	116,763
Total assets	\$ 1,058,372

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 9,502
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	9,502

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable	
Compensated absences payable	15,127
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
OPEB payable	53,819
Other long-term liabilities	
Total noncurrent liabilities	68,946
Total liabilities	78,448

**NET ASSETS**

Invested in capital assets, net of related debt	116,698
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	863,226
Total net assets	979,924
Total liabilities and net assets	\$ 1,058,372

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
NATCHITOCHEES LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Exhibit H**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____
<b>OPERATING EXPENSES</b>	
Cost of sales and services	198,596
Administrative	288,048
Depreciation	28,488
Amortization	_____
Total operating expenses	515,132
Operating income(loss)	(515,132)
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	505,665
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	(623)
Other revenue	16,144
Other expense	6,164
Total non-operating revenues(expenses)	527,350
Income(loss) before contributions, extraordinary items, & transfers	12,218
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	12,218
Total net assets – beginning	967,706
Total net assets – ending	\$ 979,924

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA  
 NATIONAL FLOOD INSURANCE PROGRAM DISTRICT  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2009

Exhibit C

See Appendix B for instructions

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Entry	\$ 515,755	\$	\$	\$	\$ (515,755)
General revenues					
Taxes					505,665
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					16,144
Miscellaneous					6,164
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					527,973
Change in net assets					12,218
Net assets - beginning as restated					967,706
Net assets - ending					\$ 979,924

**STATE OF LOUISIANA  
NATCHITOCHE LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Exhibit J**

<b>Cash flows from operating activities</b>	
Cash received from customers	\$
Cash payments to suppliers for goods and services	(197,896)
Cash payments to employees for services	(230,330)
Payments in lieu of taxes	
Internal activity-payments to other funds	
Claims paid to outsiders	
Other operating revenues(expenses)	
Net cash provided(used) by operating activities	(428,226)
<b>Cash flows from non-capital financing activities</b>	
State appropriations	
Federal receipts	
Federal disbursements	
Proceeds from sale of bonds	
Principal paid on bonds	
Interest paid on bond maturities	
Proceeds from issuance of notes payable	
Principal paid on notes payable	
Interest paid on notes payable	
Operating grants received	
Transfers in	
Transfers out	
Other	512,973
Net cash provided(used) by non-capital financing activities	512,973
<b>Cash flows from capital and related financing activities</b>	
Proceeds from sale of bonds	
Principal paid on bonds	
Interest paid on bond maturities	
Proceeds from issuance of notes payable	
Principal paid on notes payable	
Interest paid on notes payable	
Acquisition/construction of capital assets	(2,605)
Proceeds from sale of capital assets	
Capital contributions	
Other	(31,602)
Net cash provided(used) by capital and related financing activities	(34,207)
<b>Cash flows from investing activities</b>	
Purchases of investment securities	(54,022)
Proceeds from sale of investment securities	
Interest and dividends earned on investment securities	18,522
Net cash provided(used) by investing activities	(35,500)
Net increase(decrease) in cash and cash equivalents	15,040
Cash and cash equivalents at beginning of year	46,232
Cash and cash equivalents at end of year	\$ 61,272

The accompanying notes are an integral part of this financial statement.



**STATE OF LOUISIANA  
NATCHITOCHEES LEVEE AND DRAINAGE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ (461,313)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	28,488	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	6,668	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(4,410)	
Increase(decrease) in compensated absences payable	2,341	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ (428,226)

**Schedule of noncash Investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$</b>	<b>-</b>

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE and Drainage District (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2009**

**INTRODUCTION**

The District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291. The following is a brief description of the operations of District and includes the parish in which the District is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the District are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA**  
**NATCHITOCHE LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____
	_____
	_____
Final approved budget	\$ _____

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3**, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

**STATE OF LOUISIANA**  
**NATCHITOCHE LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books (Balance Sheet)	\$ 61,272	\$ 878,511	\$	\$ 939,783
Deposits in bank accounts per bank	\$ 73,357	\$ 878,511	\$	\$ 951,868
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$	\$	\$	\$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One, NA	Operations	\$ 100,000
2. First Business Bank	Operations	92,420
3. Peoples State Bank	Operations	73,357
4. Sovereign Bank	Operations	247,750
5. State Bank of Long Island	Operations	247,750
6. Susquehanna Bank	Operations	190,591
Total		\$ 951,868

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ -
Petty cash	\$ -

**2. INVESTMENTS**

The District maintains investment accounts as authorized by Louisiana Revised Statutes.

**STATE OF LOUISIANA**  
**NATCHITOCHEs LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	700	700
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ 700	\$ 700

\* Unregistered - not registered in the name of the government or entity

\*\* These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

\*\*\* LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level

**STATE OF LOUISIANA**  
**NATCHITOCHEs LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

3. DERIVATIVES

N/A

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

N/A

B. Interest Rate Risk of Debt Investments

N/A

C. Concentration of Credit Risk

N/A

D. Foreign Currency Risk

N/A

5. POLICIES

The District does not have a policy regarding custodial credit risk, risk of debt investments, concentration of credit risk, interest rate risk, or foreign currency risk because it does not allow investments that would be subject to these types of losses.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

**STATE OF LOUISIANA**  
**NATCHITOCHE LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009						
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements
	Balance 6/30/2008	Adj. after submitted to CSRAP (+or-)	Restatements (+or-)				
<b>Capital assets not being depreciated</b>							
Land	\$ 1,200	\$	\$	1,200	\$	\$	(1,200)
Non-depreciable land improvements				-			-
Capitalized collections				-			-
Construction in progress				-			-
<b>Total capital assets not being depreciated</b>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>(1,200)</u>
<b>Other capital assets</b>							
Machinery and equipment	461,526			461,526	2,605		464,131
Less accumulated depreciation	(326,319)			(326,319)	(27,259)		(353,578)
<b>Total Machinery and equipment</b>	<u>135,207</u>	<u>-</u>	<u>-</u>	<u>135,207</u>	<u>(24,654)</u>	<u>-</u>	<u>110,553</u>
Buildings and improvements	12,290			12,290			12,290
Less accumulated depreciation	(4,916)			(4,916)	(1,229)		(6,145)
<b>Total buildings and improvements</b>	<u>7,374</u>	<u>-</u>	<u>-</u>	<u>7,374</u>	<u>(1,229)</u>	<u>-</u>	<u>6,145</u>
Depreciable land improvements				-			-
Less accumulated depreciation				-			-
<b>Total depreciable land improvements</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Infrastructure				-			-
Less accumulated depreciation				-			-
<b>Total infrastructure</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other capital assets</b>	<u>142,581</u>	<u>-</u>	<u>-</u>	<u>142,581</u>	<u>(25,883)</u>	<u>-</u>	<u>116,698</u>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	1,200	-	-	1,200	-	-	(1,200)
Other capital assets, at cost	473,816	-	-	473,816	2,605	-	476,421
<b>Total cost of capital assets</b>	<u>475,016</u>	<u>-</u>	<u>-</u>	<u>475,016</u>	<u>2,605</u>	<u>-</u>	<u>476,421</u>
Less accumulated depreciation	(331,235)	-	-	(331,235)	(28,488)	-	(359,723)
<b>Capital assets, net</b>	<u>\$ 143,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,781</u>	<u>\$ (25,883)</u>	<u>\$ -</u>	<u>\$ 116,698</u>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA**  
**NATCHITOCHEES LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**E. INVENTORIES**

N/A

**F. RESTRICTED ASSETS**

N/A

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The District has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$15,127. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for



**STATE OF LOUISIANA**  
**NATCHITOCHE LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://www.lasers.state.la.us/PDFs/Publications\\_and\\_Reports/Fiscal\\_Documents/Comprehensive\\_Financial\\_Reports/Comprehensive%20Financial%20Reports\\_08.pdf](http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf)

Members hired before July 1, 2006 and after July 1, 2006 are required by state statute to contribute 7.5% and 8.0%, respectively, of their annual covered salary and the Natchitoches Levee and Drainage District is required to contribute at an actuarially determined rate. The contribution rate for the fiscal year ended June 30, 2009, remained constant at 18.5% of annual covered payroll. The contribution requirements of plan members and the office are established and may be amended by state statute. As provided by state statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The (BTA) contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$24,273, \$17,137, and \$15,667, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**1. Calculation of Net OPEB Obligation**

**(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)**

Fiscal year ending	6/30/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	\$64,600
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)	-
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	-
5. ARC adjustment (2./3.)	-
6. Annual OPEB expense (1. + 4. - 5.)	\$64,600
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	(\$10,781)
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	-
9. **NOO, end of year (2. + 6. - 7 +or-8.)	\$53,819

\* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

\*\*This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.

**STATE OF LOUISIANA**  
**NATCHITOCHE LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**J. LEASES**

1. OPERATING LEASES

N/A

2. CAPITAL LEASES

N/A

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:  
(Balances at June 30<sup>th</sup> should include current and non-current portion of long-term liabilities.)

	<u>Year ended June 30, 2009</u>			Amounts due within one year
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
<b>Notes and bonds payable:</b>				
Notes payable	\$	\$	\$	\$ --
Bonds payable				
Total notes and bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Other liabilities:</b>				
Contracts payable				--
Compensated absences payable	12,786	7,101	4,760	15,127
Capital lease obligations				--
Claims and litigation				--
OPEB payable		53,819		53,819
Other long-term liabilities				--
Total other liabilities	<u>12,786</u>	<u>60,920</u>	<u>4,760</u>	<u>68,946</u>
Total long-term liabilities	<u>\$ 12,786</u>	<u>\$ 60,920</u>	<u>\$ 4,760</u>	<u>\$ 68,946</u>

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

**L. CONTINGENT LIABILITIES**

N/A

**M. RELATED PARTY TRANSACTIONS**

N/A

**N. ACCOUNTING CHANGES**

N/A

**O. IN-KIND CONTRIBUTIONS**

N/A

**STATE OF LOUISIANA**  
**NATCHITOCHE LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**P. DEFEASED ISSUES**

N/A

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

**1. PLEDGED REVENUES**

N/A

**2. FUTURE REVENUES REPORTED AS A SALE**

N/A

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

N/A

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

N/A

**T. SHORT-TERM DEBT**

N/A

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$	\$	1,126	1,126
					-
Gross receivables	\$ -	\$	\$ -	\$ 1,126	\$ 1,126
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ 1,126	\$ 1,126
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	-

**STATE OF LOUISIANA**  
**NATCHITOCHEs LEVEE and Drainage District (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 3,289	\$ 6,213	\$ -	\$ -	\$ 9,502
Total payables	\$ 3,289	\$ 6,213	\$ -	\$ -	\$ 9,502

**W. SUBSEQUENT EVENTS**

N/A

**X. SEGMENT INFORMATION**

N/A

**Y. DUE TO/DUE FROM AND TRANSFERS**

N/A

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

N/A

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

N/A

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)**

N/A

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES**

N/A

**DD. EMPLOYEE TERMINATION BENEFITS**

N/A

**EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)**

N/A

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2009  
(Fiscal close)**

**Note:** The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF LONG-TERM DEBT  
JUNE 30, 2009**

N/A

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF LONG-TERM DEBT AMORITIZATION  
JUNE 30, 2009**

N/A

**STATE OF LOUISIANA  
NATCHITOCHEs LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS  
JUNE 30, 2009**

N/A



STATE OF LOUISIANA

NATCHITOCHE LEVEE AND DRAINAGE DISTRICT

SCHEDULE OF COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>527,973</u>	\$ <u>527,025</u>	\$ <u>948</u>	<u>0.18</u>
Expenses	<u>515,755</u>	<u>445,223</u>	<u>(70,532)</u>	<u>(15.84)</u>
2) Capital assets	<u>116,698</u>	<u>143,781</u>	<u>(27,083)</u>	<u>(18.84)</u>
Long-term debt	<u>0</u>	<u>30,979</u>	<u>30,979</u>	<u>100.00</u>
Net Assets	<u>979,924</u>	<u>967,706</u>	<u>12,218</u>	<u>1.26</u>

Explanation for change: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**STATE OF LOUISIANA  
NATCHITOCHES LEVEE AND DRAINAGE DISTRICT  
SCHEDULE OF COOPERATIVE ENDEAVORS  
JUNE 30, 2009**

N/A